

# House Study Bill 540 - Introduced

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED ECONOMIC  
DEVELOPMENT AUTHORITY BILL)

## A BILL FOR

1 An Act related to matters under the purview of the economic  
2 development authority including the high quality jobs  
3 program, the Iowa energy center, and the workforce housing  
4 tax incentive program.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 15.108, subsection 9, paragraph g, Code  
2 2022, is amended to read as follows:

3 g. Administer the Iowa energy center established in section  
4 15.120. This paragraph "g" is repealed July 1, 2022 2027.

5 Sec. 2. Section 15.120, subsection 1, Code 2022, is amended  
6 by adding the following new paragraph:

7 NEW PARAGRAPH. h. To support research and development of  
8 strategies for carbon management.

9 Sec. 3. Section 15.120, subsection 5, Code 2022, is amended  
10 to read as follows:

11 5. This section is repealed July 1, 2022 2027.

12 Sec. 4. Section 15.335C, subsection 2, Code 2022, is amended  
13 to read as follows:

14 2. For purposes of this section, "*economically distressed*  
15 *area*" means a county that ~~ranks among the bottom thirty-three of~~  
16 ~~all Iowa counties, as measured by one~~ meets at least three of  
17 the following criteria:

18 a. Average The county ranks among the thirty-three Iowa  
19 counties with the highest average monthly unemployment level  
20 rates for the most recent twelve-month period based on the  
21 applicable local area unemployment statistics produced by the  
22 United States department of labor, bureau of labor statistics.

23 b. Average The county ranks among the thirty-three Iowa  
24 counties with the highest average annualized unemployment  
25 level rates for the most recent five-year period based on the  
26 applicable local area unemployment statistics produced by the  
27 United States department of labor, bureau of labor statistics.

28 c. The county ranks among the thirty-three Iowa counties  
29 with the lowest annual average weekly wages based on the most  
30 recent quarterly census of employment and wages published  
31 by the United States department of labor, bureau of labor  
32 statistics.

33 d. The county ranks among the thirty-three Iowa counties  
34 with the highest family poverty rates based on the most recent  
35 American community survey five-year estimate released by the

1 United States census bureau.

2 e. The county ranks among the thirty-three Iowa counties  
3 with the highest percentage population loss. Percentage  
4 population loss shall be calculated by comparing the most  
5 recent population estimate produced by the United States  
6 census bureau to the most recent decennial census released  
7 by the United States census bureau, except for a calendar  
8 year in which the decennial census data is released, then the  
9 percentage population loss shall be calculated by comparing the  
10 population in the decennial census released that calendar year  
11 to the population in decennial census released ten years prior.

12 f. The county ranks among the thirty-three Iowa counties  
13 with the highest percentage of persons sixty-five years of age  
14 or older based on the most recent American community survey  
15 released by the United States census bureau.

16 Sec. 5. Section 15.335C, Code 2022, is amended by adding the  
17 following new subsection:

18 NEW SUBSECTION. 3. The authority may designate a county  
19 that does not meet at least three of the criteria in subsection  
20 2 as an economically distressed area under this section if  
21 a business located in the county experiences a layoff or a  
22 closure that has a significant impact on a community within the  
23 county. The authority shall adopt rules to establish a process  
24 for designating a county an economically distressed area under  
25 this subsection.

26 Sec. 6. Section 15.354, subsection 3, paragraph c,  
27 subparagraph (2), Code 2022, is amended to read as follows:

28 (2) The authority may for good cause within the discretion  
29 of the authority extend a housing project's completion  
30 deadline ~~once~~ by up to twelve months upon application by  
31 the housing business, which application shall be made prior  
32 to the expiration of the three-year completion deadline in  
33 subparagraph (1) ~~in the manner and form prescribed by the~~  
34 authority. The authority may approve a second extension of  
35 up to twelve months if prior to the expiration of the first

1 twelve-month extension the housing business applies and  
2 substantiates to the satisfaction of the authority that the  
3 second extension is warranted due to extenuating circumstances  
4 outside the control of the housing business. An application  
5 by a housing business shall be made in the manner and form  
6 prescribed by the authority by rule.

7 EXPLANATION

8 The inclusion of this explanation does not constitute agreement with  
9 the explanation's substance by the members of the general assembly.

10 This bill relates to matters under the purview of the  
11 economic development authority (authority) including the high  
12 quality jobs program, the Iowa energy center, and the workforce  
13 housing tax incentive program.

14 Under current law, Code section 15.120, which establishes  
15 the Iowa energy center, is repealed on July 1, 2022. The bill  
16 extends the date to 2027. The bill requires the Iowa energy  
17 center to support research and development of strategies for  
18 carbon management.

19 Under current law, for purposes of the high quality jobs  
20 program, a county is qualified as an economically distressed  
21 area if the county ranks among the bottom 33 of all Iowa  
22 counties, as measured by either the monthly unemployment level  
23 for the most recent 12-month period, or the average annualized  
24 unemployment level for the most recent five-year period. Under  
25 the bill, a county qualifies as an economically distressed  
26 area if it meets at least three of the criteria detailed in  
27 the bill. The authority may designate a county that does  
28 not meet at least three of the criteria as an economically  
29 distressed area if a business located in the county experiences  
30 a layoff or a closure that has a significant impact on a  
31 community within the county. The authority shall adopt rules  
32 to establish a process for designating a county an economically  
33 distressed area under those circumstances.

34 Under current law, the authority may extend a housing  
35 project's completion deadline under the workforce housing tax

1 incentives program up to 12 months upon application by the  
2 housing business, which must be made prior to the expiration of  
3 the project's three-year completion deadline. Under the bill,  
4 the authority may approve a second extension of up to 12 months  
5 if prior to the expiration of the first 12-month extension the  
6 housing business makes application and substantiates to the  
7 satisfaction of the authority that the extension is warranted  
8 due to extenuating circumstances outside the control of the  
9 housing business.